



**DEFERRED COMPENSATION ADVISORY COMMITTEE**  
**REGULAR MEETING**  
**MINUTES**  
**August 25, 2011**

For information about this meeting, contact the Deferred Compensation Plan Office at (408) 975-1465 or email [DeferredCompensation@sanjoseca.gov](mailto:DeferredCompensation@sanjoseca.gov)

Chair Peter Jensen called the Deferred Compensation Advisory Committee meeting to order at 9:05 a.m. on Thursday, August 25, 2011, City Hall, Council Chambers.

**Roll Call**

Donna Busse	Management Employees' Representative (794-1020)
Julia Cooper	City Manager's Representative (535-7011)
Peter Jensen, Chair	City Manager's Representative (975-7290)
Pascal Roubineau	Employee's Representative (277-2660)
Daniel Earl	Employees' Representative (277-8995)
Franco Vado	Police Representative (501-0960)
Sean Kaldor	Firefighter Representative (202-7265)

**Also Present**

Jeanne Groen	Human Resources, Benefits Manager
Kelly Wright	Human Resources, Deferred Compensation Staff
Debbi Bohnet-Nuttall	Human Resources, Deferred Compensation Staff
Shane Patrick Connolly	Councilmember Pete Constant's Office
Patty Deignan	Office of the City Attorney
Jonathan Slinger	Buck Consultants
Don Eibsen	Buck Consultants
Gary Bozin	ING
Bishop Bastien	ING
Peter Ng	ING
Steve Moy	ING
Adora Gailo	Finance Department
Grace Martinez	Finance Department
Joe Denk	Retiree
Alan Mula	Retiree
Miguel Zavala	Mayfair Community Center

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## APPROVAL OF MINUTES

1. **M.S.C** (Donna Busse/Pascal Roubineau) to approve the minutes for the regular Deferred Compensation Advisory Committee Regular meeting on June 30, 2011.
2. **M.S.C** (Franco Vado/Julia Cooper) to approve the minutes for the regular Deferred Compensation Advisory Committee Special meeting on June 30, 2011.

## ANNOUNCEMENTS

3. Introduce new Committee Member Sean Kaldor  
Peter Jensen, Chair, announced the new Committee Chair.

## DISCUSSION/ACTION ITEMS

4. Discuss 2011 National Save for Retirement Week and provide direction to staff  
Jeanne Groen, Benefits Manager, provided the report.

**M.S.C** (Sean Kaldor/Daniel Earl) to accept the report.

5. Review and discuss City Attorney's Office support to the Deferred Compensation Advisory Committee  
Jeanne Groen, Benefits Manager, provided the report. Committee members raised concern regarding the Brown Act, Sunshine rules and the process for Committee Members to agendaize items after the agenda has been posted. Committee members expressed interest to discuss this concern at the October 27, 2011 DCAC meeting.

**M.S.C** (Pascal Roubineau/Sean Kaldor) to accept report.

6. Accept Report and Approve Deferred Compensation Plans Fourth Quarter Financials for FY 2010-11  
Grace Martinez, Finance Department, provided the report.

**M.S.C** (Sean Kaldor/Pascal Roubineau) to accept the report.

7. Accept report, review and discuss quarterly market overview, Plan Portfolio Analysis, Watch List and approve consultant's recommendations and direct staff to implement  
Jonathan Slinger, Buck Consultants, provided the report and the following recommendations:
  - Retain the Pioneer Mid Cap Value VCT I fund within the plan and keep it on the Watch List for further evaluation
  - Add American Funds Growth Fund of America R4 to the Watch List

**M.S.C** (Franco Vado/Donna Busse) to:

- Accept the report;

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- Accept Buck's recommendations to retain the Pioneer Mid Cap Value VCT I fund within the plan and keep it on the Watch List for further evaluation and add American Funds Growth Fund of America R4 to the Watch List;
  - Add Fidelity Advisor New Insights I American Funds Growth of America R4 to the Watch List; and
  - Direct staff and Buck Consultants to provide additional information in future reports that link fund recommendations to the Investment Policy.
8. Review and discuss an addendum to the ING Stabilizer group annuity contract and provide direction to staff  
Jonathan Slinger, Buck Consultants, provided the report.

**M.S.C** (Sean Kaldor/Pascal Roubineau) to reject ING's proposed addendum and direct staff to provide ING with written notice rejecting the proposed addendum.

9. Review and discuss the recommendation of the RFP evaluation committee to select ING to provide investment and administration services for defined contribution plans and provide direction to staff  
Jeanne Groen, Benefits Manager, presented the report.

**M.S.C** (Pascal Roubineau/Sean Kaldor) to approve the following:

- Approve the selection of ING Life Insurance and Annuity Company ("ING") for investment and administrative services for the City of San José, California, Deferred Compensation Plan ("457 Plan") and the City of San José, California, PTC Deferred Compensation Plan ("PTC") with an unbundled fee structure.
- Direct staff to develop an investment and administrative services agreement with ING for the 457 Plan and PTC Plan to be effective January 1, 2012 through September 30, 2012, with the option to renew in five (5) one-year increments not to exceed a total maximum of 69 months, at a guaranteed cost of 0.09% (9 basis points) of plan assets and return for Committee approval at the October 27, 2011 meeting.

Note: Franco Vado left meeting at 11:01 a.m.

10. Authorize the Secretary Designee to negotiate and execute an amendment to the Agreement with ING Life Insurance and Annuity Company and ING Financial Advisors to implement outsourcing Domestic Relations Orders, and provide direction to staff  
Jeanne Groen, Benefits Manager, provided the report.

**M.S.C** (Sean Kaldor/Pascal Roubineau) to authorize the Secretary's Designee to negotiate and execute an amendment to the Agreement with ING Life Insurance and Annuity Company and ING Financial Advisors to implement the outsourcing of Domestic Relations Orders.

## INFORMATIONAL ITEMS

11. Staff report

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Jeanne Groen, Benefits Manager, provided the following updates:

- Staff and Committee Members attending the NAGDCA Conference during the week of September 11 include: Daniel Earl, Pascal Roubineau, Jeanne Groen and Kelly Wright. A summary report from the conference will be prepared by Staff and presented at the October 27 DCAC meeting.
- A proclamation for National Save for Retirement Week has been coordinated with Shane Patrick Connelly (representative for Councilmember Pete Constant) and is scheduled to be presented at the October 18 Council Meeting. The Chair is invited to represent the DCAC and provide up to a one-minute comment. The Committee members, deferred comp staff and representative from ING are also invited to attend.
- Staff will be preparing a report for the Committee's review and discussion at the October 27 DCAC meeting regarding the administration process and procedures that were followed for handling a participant's vacation payout deferral request. The participant is appealing to the Committee regarding this procedure and process. The participant has been invited to the meeting to address the DCAC personally and will be provided a copy of the staff report regarding the specific situation and staff's recommendations.

12. Verbal update on ING Service Provider

Gary Bozin, ING, provided the update.

13. Verbal update on ING portfolio review for the quarter ending June 30, 2011

Gary Bozin, ING, provided the update.

14. Verbal update on Quarterly Reports from ING Investment Management (IIM)

Gary Bozin, ING, provided the update.

15. Review ING Service Logs and Loan Activity Reports for May 2011 and June 2011

Gary Bozin, ING, provided the reports.

16. Updates on June, 2011 and July, 2011 Fund Performance Summaries

Gary Bozin, ING, provided the summaries.

17. Report on Legislative, Market and Consultant Activity

No report.

NEXT MEETING

18. Next Regular Committee Meeting: Thursday, October 25, 2011, City Hall, W-120, at 9:00 a.m.

OPEN FORUM

19. There was no public comment.

UNFORESEEABLE EMERGENCY WITHDRAWAL APPEALS

20. None.

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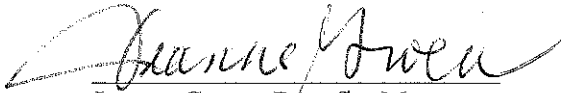
ADJOURNMENT

21. **M.S.C.** (Pascal Roubineau/Sean Kaldor) to adjourn at 11:24 a.m.



Peter Jensen, Chair  
Deferred Compensation Advisory Committee

ATTEST:



Jeanne Groen, Benefits Manager  
Committee Secretary's Designee

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.

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